

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 1910**

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**Introduced by Assembly Member Gray**

February 19, 2014

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An act to ~~amend Sections 14000, 14013, and 14020 of~~ *add Division 11 (commencing with Section 19000) to the Unemployment Insurance Code, relating to* ~~unemployment insurance~~ *workforce investment.*

### LEGISLATIVE COUNSEL'S DIGEST

AB 1910, as amended, Gray. ~~Unemployment insurance: education and workforce investment systems. California Workforce Investment Board: San Joaquin Valley Regional Planning and Preparedness Act of 2014.~~

Existing law declares that a well-educated and highly skilled workforce is necessary for the state to remain competitive in the global economy and that workforce investment programs and services need to work collaboratively with state and local entities to accomplish this policy goal.

Existing law provides that the California Workforce Investment Board (*CWIB*) is responsible for assisting the Governor in, among other things, the development, oversight, and continuous improvement of California's workforce investment system. Existing law requires the board, in collaboration with specified state and local partners, and the local workforce investment boards to develop a specified strategic workforce plan, updated at least every 5 years, to address the state's economic, demographic, and workplace needs, and to meet the single state plan requirement of the Workforce Investment Act of 1998. In that regard, the board aligns and leverages state and local Workforce Investment

Act funding streams, identifies specified industry sectors and clusters, provides skills-gap analysis, and establishes specified eligibility criteria for the Workforce Investment Act eligible training provider list.

*This bill would require the CWIB to establish the San Joaquin Valley Regional Economic Planning and Preparedness Council as a special committee, composed of specified members, to, among other things, identify and develop the framework, funding, strategies, programs, policies, partnerships, and opportunities necessary to address the growing need for a highly skilled and well-trained workforce to meet the needs of the San Joaquin Valley's emerging technology and energy economy. The bill would require the council to report to the Legislature, by April 1 each year, on the status of its activities and its development of an oil and natural gas workforce strategic initiative.*

~~This bill would make technical, nonsubstantive changes to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Division 11 (commencing with Section 19000) is*  
2     *added to the Unemployment Insurance Code, to read:*

3  
4             *DIVISION 11. SAN JOAQUIN VALLEY REGIONAL*  
5     *ECONOMIC PLANNING AND PREPAREDNESS ACT OF 2014*

6  
7     19000. *This division shall be known, and may be cited, as the*  
8     *San Joaquin Valley Regional Economic Planning and*  
9     *Preparedness Act of 2014.*

10    19001. *The Legislature finds and declares all of the following:*

11    (a) *The San Joaquin Valley composed of the Counties of Fresno,*  
12    *Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare*  
13    *is home to an estimated 4 million Californians.*

14    (b) *For the last two decades, the San Joaquin Valley Region*  
15    *has maintained average annual unemployment rates ranging from*  
16    *62 percent to 150 percent above the state average.*

17    (c) *The San Joaquin Valley's per capita income is \$31,533 and*  
18    *50 percent of the San Joaquin Valley's population is in poverty*  
19    *including thousands of unemployed and underemployed people.*

1     (d) *The San Joaquin Valley continues to face significant*  
2     *economic challenges including, poverty, unemployment, and an*  
3     *inadequately trained workforce.*

4     (e) *The San Joaquin Valley is also home to hard-working*  
5     *immigrants, new entrepreneurs, business and labor leaders,*  
6     *learning institutions including the new University of California,*  
7     *Merced, cities and towns renewing themselves, and community*  
8     *and nonprofit agencies uniting to develop civic leadership.*

9     (f) *Developing the San Joaquin Valley's workforce skills and*  
10    *aligning public and private workforce development resources with*  
11    *industry growth opportunities in the region to meet current and*  
12    *future business workforce requirements and close the*  
13    *business-workforce skills gap will cultivate higher paying jobs*  
14    *and will allow its economy to flourish.*

15    19002. (a) *The California Workforce Investment Board (CWIB)*  
16    *shall establish a special committee known as the San Joaquin*  
17    *Valley Regional Economic Planning and Preparedness Council*  
18    *(SJVREPPC), with appropriate representatives from the CWIB*  
19    *existing membership, including a K-12 education representative,*  
20    *a California Community Colleges representative, an Employment*  
21    *Development Department representative, a Department of Food*  
22    *and Agriculture representative, a Governor's Office of Business*  
23    *and Economic Development representative, a California*  
24    *Transportation Commission representative, and other appropriate*  
25    *members. The CWIB may call on other state agencies, other higher*  
26    *education representatives, and industry representatives as well as*  
27    *philanthropic and nongovernmental groups as appropriate and*  
28    *necessary to serve as consultants to the SJVREPPC in the*  
29    *development of this strategic initiative.*

30    (b) *As part of the strategic initiative the SJVREPPC shall*  
31    *identify and develop the framework, funding, strategies, programs,*  
32    *policies, partnerships, and opportunities necessary to address the*  
33    *growing need for a highly skilled and well-trained workforce to*  
34    *meet the needs of the San Joaquin Valley's emerging technology*  
35    *and energy economy. The SJVREPPC shall do all of the following:*

36    (1) *Assist in identifying and linking emerging technology and*  
37    *energy job opportunities with workforce development training*  
38    *opportunities in local workforce investment areas (LWIAs), and*  
39    *encouraging regional collaboration among LWIAs to meet regional*  
40    *economic demands.*

1 (2) *Develop public, private, philanthropic, and nongovernmental*  
2 *partnerships to build and expand the state's workforce development*  
3 *programs, network, and infrastructure.*

4 (3) *Provide policy guidance for job training programs in the*  
5 *emerging technology and energy sector to assist and prepare*  
6 *specific populations, such as at-risk youth, displaced workers,*  
7 *veterans, formerly incarcerated individuals, and others facing*  
8 *barriers to employment.*

9 (4) *Develop, collect, interpret, and distribute statewide and*  
10 *regional labor market data on California's new and emerging*  
11 *technology and energy workforce needs, trends, and job growth.*

12 (5) *Identify funding resources and make recommendations on*  
13 *how to expand and leverage these funds.*

14 (6) *Foster regional collaboration in the emerging technology*  
15 *and energy economic sector.*

16 19003. *On or before April 1, 2015, and each April 1 thereafter,*  
17 *the CWIB shall report to the Legislature on the status of*  
18 *SJVREPPC activities and its development of an oil and natural*  
19 *gas workforce strategic initiative. The report shall be submitted*  
20 *in compliance with Section 9795 of the Government Code.*

21 **SECTION 1.** ~~Section 14000 of the Unemployment Insurance~~  
22 ~~Code is amended to read:~~

23 14000. ~~(a) The Legislature finds and declares that, in order~~  
24 ~~for California to remain prosperous and globally competitive, it~~  
25 ~~needs to have a well-educated and highly skilled workforce.~~

26 ~~(b) The Legislature finds and declares that all of the following~~  
27 ~~principles shall guide the state's workforce investment system:~~

28 ~~(1) Workforce investment programs and services shall be~~  
29 ~~responsive to the needs of employers, workers, and students by~~  
30 ~~accomplishing the following:~~

31 ~~(A) Preparing California's students and workers with the skills~~  
32 ~~necessary to successfully compete in the global economy.~~

33 ~~(B) Producing greater numbers of individuals who obtain~~  
34 ~~industry-recognized certificates and degrees in competitive and~~  
35 ~~emerging industry sectors and filling critical labor market skills~~  
36 ~~gaps.~~

37 ~~(C) Adapting to rapidly changing local and regional labor~~  
38 ~~markets as specific workforce skill requirements change over time.~~

39 ~~(D) Preparing workers for good-paying jobs that foster economic~~  
40 ~~security and upward mobility.~~

1     ~~(2) State and local workforce investment boards are encouraged~~  
2     ~~to collaborate with other public and private institutions, including~~  
3     ~~businesses, unions, nonprofit organizations, kindergarten and~~  
4     ~~grades 1 to 12, inclusive, career technical education programs,~~  
5     ~~adult career technical education and basic skills programs,~~  
6     ~~community college career technical education and basic skills~~  
7     ~~programs, entrepreneurship training programs, where appropriate,~~  
8     ~~the California Community Colleges Economic and Workforce~~  
9     ~~Development Program, and the Employment Training Panel, to~~  
10    ~~better align resources across workforce education and training~~  
11    ~~service delivery systems and build a well-articulated workforce~~  
12    ~~investment system by accomplishing the following:~~

13    ~~(A) Adopting local and regional training and education strategies~~  
14    ~~that build on the strengths and fill the gaps in the education and~~  
15    ~~workforce development pipeline in order to address the needs of~~  
16    ~~job seekers, workers, and employers within regional labor markets~~  
17    ~~by supporting sector strategies.~~

18    ~~(B) Leveraging resources across education and workforce~~  
19    ~~training delivery systems to build career pathways and fill critical~~  
20    ~~skills gaps.~~

21    ~~(3) Workforce investment programs and services shall be data~~  
22    ~~driven and evidence based when setting priorities, investing~~  
23    ~~resources, and adopting practices.~~

24    ~~(4) Workforce investment programs and services shall develop~~  
25    ~~strong partnerships with the private sector, ensuring industry~~  
26    ~~involvement in needs assessment, planning, and program~~  
27    ~~evaluation.~~

28    ~~(A) Workforce investment programs and services shall~~  
29    ~~encourage industry involvement by developing strong partnerships~~  
30    ~~with an industry's employers and the unions that represent the~~  
31    ~~industry's workers.~~

32    ~~(B) Workforce investment programs and services may consider~~  
33    ~~the needs of employers and businesses of all sizes, including large,~~  
34    ~~medium, small, and microenterprises, when setting priorities,~~  
35    ~~investing resources, and adopting practices.~~

36    ~~(5) Workforce investment programs and services shall be~~  
37    ~~outcome oriented and accountable, measuring results for program~~  
38    ~~participants, including, but not limited to, outcomes related to~~  
39    ~~program completion, employment, and earnings.~~

1     ~~(6) Programs and services shall be accessible to employers, the~~  
2     ~~self-employed, workers, and students who may benefit from their~~  
3     ~~operation, including individuals with employment barriers, such~~  
4     ~~as persons with economic, physical, or other barriers to~~  
5     ~~employment.~~

6     ~~SEC. 2. Section 14013 of the Unemployment Insurance Code~~  
7     ~~is amended to read:~~

8     ~~14013. The board shall assist the Governor in all of the~~  
9     ~~following:~~

10    ~~(a) Promoting the development of a well-educated and highly~~  
11    ~~skilled 21st century workforce.~~

12    ~~(b) Developing the State Workforce Investment Plan.~~

13    ~~(c) Developing guidelines for the continuous improvement and~~  
14    ~~operation of the workforce investment system, including:~~

15    ~~(1) Developing policies to guide the one-stop system.~~

16    ~~(2) Providing technical assistance for the continuous~~  
17    ~~improvement of the one-stop system.~~

18    ~~(3) Recommending state investments in the one-stop system.~~

19    ~~(4) Targeting resources to competitive and emerging industry~~  
20    ~~sectors and industry clusters that provide economic security and~~  
21    ~~are either high-growth sectors or critical to California's economy;~~  
22    ~~or both. These industry sectors and clusters shall have significant~~  
23    ~~economic impacts on the state and its regional and workforce~~  
24    ~~development needs and have documented career opportunities.~~

25    ~~(5) To the extent permissible under state and federal laws,~~  
26    ~~recommending youth policies and strategies that support linkages~~  
27    ~~between kindergarten and grades 1 to 12, inclusive, and community~~  
28    ~~college educational systems and youth training opportunities in~~  
29    ~~order to help youth secure educational and career advancement.~~  
30    ~~These policies and strategies may be implemented using a sector~~  
31    ~~strategies framework and should ultimately lead to placement in~~  
32    ~~a job providing economic security or job placement in an~~  
33    ~~entry-level job that has a well-articulated career pathway or career~~  
34    ~~ladder to a job providing economic security.~~

35    ~~(6) To the extent permissible under state and federal law,~~  
36    ~~recommending adult and dislocated worker training policies and~~  
37    ~~investments that offer a variety of career opportunities while~~  
38    ~~upgrading the skills of California's workforce. These may include~~  
39    ~~training policies and investments pertaining to any of the following:~~

1 ~~(A) Occupational skills training, including training for~~  
2 ~~nontraditional employment.~~

3 ~~(B) On-the-job training.~~

4 ~~(C) Programs that combine workplace training with related~~  
5 ~~instruction, which may include cooperative education programs.~~

6 ~~(D) Training programs operated by the private sector.~~

7 ~~(E) Skill upgrading and retraining.~~

8 ~~(F) Entrepreneurial training.~~

9 ~~(G) Job readiness training.~~

10 ~~(H) Adult education and literacy activities provided in~~  
11 ~~combination with any of the services described in this paragraph.~~

12 ~~(I) Customized training conducted with a commitment by an~~  
13 ~~employer or group of employers to employ an individual upon~~  
14 ~~successful completion of the training.~~

15 ~~(d) Developing and continuously improving the statewide~~  
16 ~~workforce investment system as delivered via the one-stop delivery~~  
17 ~~system and via other programs and services supported by funding~~  
18 ~~from the federal Workforce Investment Act of 1998, including:~~

19 ~~(1) Developing linkages in order to ensure coordination and~~  
20 ~~nonduplication among workforce programs and activities.~~

21 ~~(2) Reviewing local workforce investment plans.~~

22 ~~(3) Leveraging state and federal funds to ensure that resources~~  
23 ~~are invested in activities that meet the needs of the state's~~  
24 ~~competitive and emerging industry sectors and advance the~~  
25 ~~education and employment needs of students and workers so they~~  
26 ~~can keep pace with the education and skill needs of the state, its~~  
27 ~~regional economies, and leading industry sectors.~~

28 ~~(e) Commenting, at least once annually, on the measures taken~~  
29 ~~pursuant to the Carl D. Perkins Vocational and Applied Technology~~  
30 ~~Education Act Amendments of 1990 (Public Law 101-392; 20~~  
31 ~~U.S.C. Sec. 2301 et seq.).~~

32 ~~(f) Designating local workforce investment areas within the~~  
33 ~~state based on information derived from all of the following:~~

34 ~~(1) Consultations with the Governor.~~

35 ~~(2) Consultations with the chief local elected officials.~~

36 ~~(3) Consideration of comments received through the public~~  
37 ~~comment process, as described in Section 112(b)(9) of the federal~~  
38 ~~Workforce Investment Act of 1998.~~

39 ~~(g) Developing and modifying allocation formulas, as necessary,~~  
40 ~~for the distribution of funds for adult employment and training~~

1 activities, for youth activities to local workforce investment areas,  
2 and dislocated worker employment and training activities, as  
3 permitted by federal law.

4 (h) Coordinating the development and continuous improvement  
5 of comprehensive state performance measures, including state  
6 adjusted levels of performance, to assess the effectiveness of the  
7 workforce investment activities in the state.

8 (i) Preparing the annual report to the United States Secretary of  
9 Labor.

10 (j) Recommending policy for the development of the statewide  
11 employment statistics system, including workforce and economic  
12 data, as described in Section 15 of Title 29 of the United States  
13 Code, and using, to the fullest extent possible, the Employment  
14 Development Department's existing labor market information  
15 systems.

16 (k) Recommending strategies to the Governor for strategic  
17 training investments of the Governor's 15-percent discretionary  
18 funds.

19 (l) Developing and recommending waivers, in conjunction with  
20 local workforce investment boards, to the Governor as provided  
21 for in the federal Workforce Investment Act of 1998.

22 (m) Recommending policy to the Governor for the use of the  
23 25-percent rapid response funds, as authorized under the federal  
24 Workforce Investment Act of 1998.

25 (n) Developing an application to the United States Department  
26 of Labor for an incentive grant under Section 9273 of Title 20 of  
27 the United States Code.

28 SEC. 3. Section 14020 of the Unemployment Insurance Code  
29 is amended to read:

30 14020. (a) The California Workforce Investment Board, in  
31 collaboration with state and local partners, including the Chancellor  
32 of the California Community Colleges, the State Department of  
33 Education, other appropriate state agencies, and local workforce  
34 investment boards, shall develop a strategic workforce plan to  
35 serve as a framework for the development of public policy, fiscal  
36 investment, and operation of all state labor exchange, workforce  
37 education, and training programs to address the state's economic,  
38 demographic, and workforce needs. The strategic workforce plan  
39 shall also serve as the framework for the single state plan required

1 by the federal Workforce Investment Act of 1998. The plan shall  
2 be updated at least every five years.

3 (b) ~~The state shall develop a California Industry Sector Initiative~~  
4 ~~that will serve as the cornerstone of the state plan and provide a~~  
5 ~~framework for state workforce investments and support for sector~~  
6 ~~strategies.~~

7 (c) ~~The California Workforce Investment Board shall work~~  
8 ~~collaboratively with state and local partners to identify ways to~~  
9 ~~eliminate systemwide barriers and better align and leverage federal,~~  
10 ~~state, and local Workforce Investment Act funding streams and~~  
11 ~~policies to develop, support, and sustain regional alliances of~~  
12 ~~employers and workforce and education professionals who are~~  
13 ~~working to improve the educational pipeline, establish~~  
14 ~~well-articulated career pathways, provide industry-recognized~~  
15 ~~credentials and certificates, and address the career advancement~~  
16 ~~needs of current and future workers in competitive and emergent~~  
17 ~~industry sectors and clusters. The California Workforce Investment~~  
18 ~~Board and its partners shall work collaboratively to maximize state~~  
19 ~~and local investments and pursue other resources to address the~~  
20 ~~skills-gap needs identified pursuant to paragraph (3) of subdivision~~  
21 ~~(d).~~

22 (d) ~~In order to support the requirement of the plans in~~  
23 ~~subdivision (a), the California Workforce Investment Board shall~~  
24 ~~do all of the following:~~

25 (1) ~~Annually identify industry sectors and industry clusters that~~  
26 ~~have a competitive economic advantage and demonstrated~~  
27 ~~economic importance to the state and its regional economies. In~~  
28 ~~developing this analysis, the California Workforce Investment~~  
29 ~~Board shall consider the expertise of local workforce investment~~  
30 ~~boards in the state's respective regional economies and shall~~  
31 ~~encourage the local workforce investment boards to identify~~  
32 ~~industry sectors and industry clusters that have a competitive~~  
33 ~~economic advantage and demonstrated economic importance in~~  
34 ~~their respective local workforce investment areas.~~

35 (2) ~~Annually identify new dynamic emergent industry sectors~~  
36 ~~and industry clusters with substantial potential to generate new~~  
37 ~~jobs and income growth for the state and its regional economies.~~  
38 ~~In developing this analysis, the California Workforce Investment~~  
39 ~~Board shall consider the expertise of local workforce investment~~  
40 ~~boards in the state's respective regional economies and shall~~

1 encourage the local workforce investment boards to identify new  
2 dynamic emergent industry sectors and industry clusters with  
3 substantial potential to generate new jobs and income growth in  
4 their respective local workforce investment areas.

5 (3) Provide an annual skills-gap analysis enumerating  
6 occupational and skills shortages in the industry sectors and  
7 industry clusters identified as having strategic importance to the  
8 state's economy and its regional economies. In developing this  
9 analysis, the California Workforce Investment Board shall consider  
10 the expertise of local workforce investment boards in the state's  
11 respective regional economies and shall encourage the local  
12 workforce investment boards to conduct skills-gap analysis for  
13 their respective local workforce investment areas. Skills-gap  
14 analysis for the state and its regional economies shall use labor  
15 market data to specify a list of high-priority, in-demand occupations  
16 for the state and its regional economies. This list shall be used to  
17 inform investment decisions and eligible training provider policies.

18 (4) Establish, with input from local workforce investment boards  
19 and other stakeholders, initial and subsequent eligibility criteria  
20 for the federal Workforce Investment Act of 1998 eligible training  
21 provider list that effectively directs training resources into training  
22 programs leading to employment in high-demand, high-priority,  
23 and occupations that provide economic security, particularly those  
24 facing a shortage of skilled workers. The subsequent eligibility  
25 criteria, to the extent feasible, shall use performance and outcome  
26 measures to determine whether a provider is qualified to remain  
27 on the list. At a minimum, initial and subsequent eligibility criteria  
28 shall consider the following:

29 (A) The relevance of the training program to the workforce  
30 needs of the state's strategic industry sectors and industry clusters.

31 (B) The need to plug skills gaps and skills shortages in the  
32 economy, including skills gaps and skills shortages at the state and  
33 regional level.

34 (C) The need to plug skills gaps and skills shortages in local  
35 workforce investment areas.

36 (D) The likelihood that the training program will lead to job  
37 placement in a job providing economic security or job placement  
38 in an entry-level job that has a well-articulated career pathway or  
39 career ladder to a job providing economic security.

1     ~~(E) The need for basic skills and bridge training programs that~~  
2     ~~provide access to occupational skills training for individuals with~~  
3     ~~barriers to employment and those who would otherwise be unable~~  
4     ~~to enter occupational skills training.~~

5     ~~(F) To the extent feasible, utilize criteria that measure training~~  
6     ~~and education provider performance, including, but not limited to,~~  
7     ~~the following:~~

8         ~~(i) Measures of skills or competency attainment.~~

9         ~~(ii) Measures relevant to program completion, including~~  
10        ~~measures of course, certificate, degree, licensure, and program of~~  
11        ~~study rate of completion.~~

12        ~~(iii) For those entering the labor market, measures of~~  
13        ~~employment placement and retention.~~

14        ~~(iv) For those continuing in training or education, measures of~~  
15        ~~educational or training progression.~~

16        ~~(v) For those who have entered the labor market, measures of~~  
17        ~~income, including wage measures.~~

18     ~~(G) The division of labor for making initial and subsequent~~  
19     ~~eligibility determinations under this division shall be modeled on~~  
20     ~~the division of labor envisioned in the federal Workforce~~  
21     ~~Investment Act of 1998 in that the state board shall establish, with~~  
22     ~~input from local workforce investment boards and other~~  
23     ~~stakeholders, the initial and subsequent eligibility procedures and~~  
24     ~~criteria utilized by local workforce investment boards to assess~~  
25     ~~training provider performance. The local boards shall have the~~  
26     ~~authority to place and retain training providers on the list, and shall~~  
27     ~~provide relevant performance data pertaining to the training~~  
28     ~~provider criteria established pursuant to this division to a state~~  
29     ~~agency designated by the Governor. The relevant state agency~~  
30     ~~shall also have the authority to remove training providers for~~  
31     ~~nonperformance, provided they do not meet the performance~~  
32     ~~criteria established pursuant to this division.~~

33     ~~(H) If the state receives a waiver from the federal subsequent~~  
34     ~~eligibility provisions specified in the federal Workforce Investment~~  
35     ~~Act of 1998, the state workforce investment board shall establish~~  
36     ~~its own subsequent eligibility criteria that take into account all of~~  
37     ~~the criteria specified in subparagraphs (A) to (G), inclusive.~~